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INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS IMMEDIATE
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RHHMUNA/CDRUSPACOM HONOLULU HI IMMEDIATE
RUEKJCS/JOINT STAFF WASHINGTON DC IMMEDIATE
RUEKJCS/SECDEF WASHINGTON DC IMMEDIATE

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SIPDIS

SENSITIVE
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STATE FOR EAP, PM, AND EAP/MTS
USPACOM ALSO FOR FPA HUSO AND J5
SECDEF/OSD/ISA/AP (TOOLAN/BAILEY)
JOINT STAFF/J5 (WILKES/ROBINSON/CLEMMONS)

E.O. 12958: N/A

TAGS: MARR MASS MOPS MCAP PREL RP

SUBJECT: PRESIDENT ARROYO FIRMLY BEHIND DEFENSE REFORM

¶1. (SBU) SUMMARY. President Arroyo firmly supports defense reform, and has added another \$11 million to the program's Foreign Military Sales Account to buy new equipment for battalion training. Armed Forces Chief of Staff General Esperon is pushing hard for the rapid delivery of the equipment, which he views as a priority. Although challenges remain, Philippine Defense Reform has clearly become institutionalized and is beginning to have a spillover effect in other areas. The Philippine National Police has embarked on its own transformation plan, and with U.S. help will soon launch its "Model Police Station" program. This is a "good news" story for the Philippines. END SUMMARY.

A MODEL EFFORT

¶2. (SBU) President/Defense Secretary Arroyo expressed her firm support for defense reform during a January 18 meeting with Ambassador Kenney, the U.S. Executive Steering Committee for Philippine Defense Reform (PDR) chaired by Defense Security Cooperation Agency Principal Director for Security Cooperation Ed Ross, and senior Philippine defense officials.

(President Arroyo assumed the portfolio of Secretary of National Defense in November 2006 after the resignation of then-Secretary Cruz.) Thanking the Ambassador for U.S. support, President Arroyo said reform efforts were beginning to bear fruit. She noted that she had just added \$11 million dollars to the program's Foreign Military Sales account to buy new equipment for battalion retraining. The Ambassador observed that PDR had become a model for the region, with countries such as Mongolia and Cambodia beginning to embark on their own military reform programs with U.S. assistance. The United States was pleased to be part of such an important effort, which was already having a spillover effect on the Philippine National Police, which, with U.S. help, would soon launch its "Model Police Station" program.

¶3. (SBU) President Arroyo drew comparisons between the armed forces modernization program launched in the mid-1990's when she was still a senator and the existing reform effort. The former program was focused almost exclusively on external threats, while the latter was aimed at improving the Philippine military's capability to conduct internal security operations. She said she had accelerated funding to speed up procurement so that newly retrained soldiers would have the equipment they needed.

PUSH FOR TRAINING EQUIPMENT

14. (SBU) In a separate session with the U.S. Executive Steering Committee, Armed Forces Chief of Staff General Esperon emphasized the need to have at least three battalion "training sets" of equipment, so that Army and Marine battalions going through training could familiarize themselves with and train to the new equipment they would eventually obtain. "We need to fast track equipment for these battalions if we want to call them battalions of excellence -- training sets are a priority," he said. U.S. Department of Defense Principal Director for Asian and Pacific Affairs Brigadier General John Toolan agreed that new equipment meant a lot to the troops.

15. (SBU) Director Ross noted that PDR represented a "good news story," but challenges remained. It was important for both sides to identify potential obstacles and develop work-arounds to avoid delays in the acquisition of equipment, he stressed. Philippine Undersecretary for Defense Operations Santos concurred, stressing that defense reform was contributing to the economic and social development of the country.

"QUICK WINS"

16. (SBU) A number of "quick win" projects have already begun to translate reform into practical and tangible results for the troops.

-- President Arroyo opened a U.S.-equipped Combat Trauma Center on Jolo on her January 8 visit to Jolo. The center will provide immediate care to troops wounded in the ongoing operation to eliminate the Abu Sayyaf and Jemaah Islamiyah

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leadership on the island;

-- The Defense Security Cooperation Agency quickly turned around within 24-hours a request for a U.S. Mobile Training Team to conduct train-the-trainers squad leader training. The team developed a Squad Leader's Handbook, which has now been distributed to Philippine Army and Marine units;

-- General Esperon is establishing a Sergeant Major's Academy and has made sergeant majors responsible for training non-commissioned officers. Training for drill instructors will be standardized; and,

-- In early 2007, the Armed Forces of the Philippines will introduce a Purchase Authorization Card, which will nearly eliminate cash purchases for goods. This measure creates an auditable procurement trail that addresses the core complaint of corruption.

COMMENT

17. (SBU) President Arroyo is clearly committed to defense reform, and wants to accelerate its pace. The program, which is entering its fourth year, has become institutionalized. The Philippines is now contributing far more in dollar terms than we are. One impressive briefing during the Executive Committee meeting laid out a comprehensive series of metrics for measuring success -- developed exclusively by Department of National Defense staff. Key to the ultimate success of the program is translating reforms down to the individual soldier. General Esperon's emphasis on equipment highlights this concern, and we will need to work closely with our Philippine counterparts to expedite as much as possible equipment delivery.